

OPEN MEETING AGENDA ITEM



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ORIGINAL

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WATER UTILITY MANAGEMENT

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September 29, 2009

Arizona Corporation Commission
Utilities Division
1200 W. Washington
Phoenix, Arizona 85007

Arizona Corporation Commission

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OCT - 7 - 2009

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AZ CORP COMMISSION
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Re: **Letter of Request to Expedite Decision** –
East Slope Water Co. Docket #W-01906A-09-0283,

This letter will serve as a request to expedite a decision in the matter of the above referenced docket Numbers in regard to emergency rate relief by way of implementing an emergency sur-charge for Antelope Run Water Company ("ARWC") Indiada Water Company ("IWC") and East Slope Water Company ("ESWC") located in Sierra Vista, Arizona. All three water companies are owned by Mr. Bobby Watkins. Mr. Watkins no longer has the ability to fund the ailing water system and fears the water utility will become insolvent and/or run out of water.

ESWC serves approximately 822 water customers; ARWC serves approximately 165 water customers and IWC serves approximately 56 water customers.

These companies are experiencing well outages and low pressure. In particular, the week of Sept. 21, 2009 IWC had two wells go completely dry, therefore they are completely out of water supply within their water system. An interconnection to ARWC has allowed ARWC to supply water at a much lower pressure to IWC at this time.

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Letter of Request to Expedite Decision (Continued)

This situation is extremely precarious, however, due to the low capacity of the ARWC system and is putting stress on the supply of this well as this system has extremely low pressure and low volume especially in the summer months and this situation makes it even worse.

The static water level of this well at ARWC was 90' it is now 160' and the pump is set at 180'. The lack of pressure is due to lack of storage and inadequate pumps (2 – 5 hp). The system has gone through 15 to 20 pumps in the last two years. One well was taken out of service due to continued contamination problems so this is the only available source of water for both IWC and ARWC.

On Sunday Sept. 27, 2009 ARWC could not produce enough water to meet demand of both systems so we are in the process of implementing stage one through four in intervals (though we are already in the stage four scenario) of the curtailment plan which involves putting the water customers on notice that it is mandatory to conserve water to reduce daily consumption.

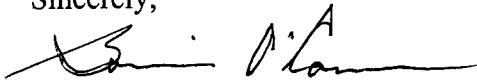
The water table in the area is dropping drastically for all three water systems as well as others in the area including EAWC and the wells are sucking air where water used to be.

We are requesting that the situation of the emergency sur-charge be on the Oct. 22nd open meeting docket as this is an extreme situation with the possibility of water users having no source of water.

An emergency sur-charge needs to be implemented as soon as possible to relieve the existing operating expense burden on ESWC, IWC and ARWC.

We consider this an extreme emergency situation and would like to go forward with an emergency surcharge ASAP.

Sincerely,



Bonnie L. O'Connor, President
Southwestern Utility Management, Inc.

For

Bobby Watkins, Owner

cc: Bobby Watkins, Owner, Chairman
Nathan Watkins, President, CEO
Arizona Corporation Commission – 15 copies

J:Indiada – All Co's Req. to Expedite